

## Retiree Activities Office

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### RAO Newsletter - # 99 - March 3, 2011 - Tricare Co-Pays Likely to Increase

February 22, 2011 • Terry Howell - (military.com)

In addition to the DoD proposal to increase TRICARE Prime enrollment fees for military retirees under 65, the 2012 Budget proposal includes a plan to increase co-pays on prescription medications.

Under the proposed 2012 budget, TRICARE prescriptions filled on base will remain free, but, co-pays for medications purchased at retail pharmacies will increase. DoD is hoping that the increased co-pays will encourage beneficiaries to use TRICARE's mail-order "home delivery" option.

If passed the current \$3 co-pay for generics at retail outlets will increase to \$5 and the \$9 co-pays for brand name drugs will climb to \$12. "Tier 3" (non-formulary brand) drugs, which currently cost beneficiaries a \$22 co-pay will be raised to \$25 for both mail order and retail.

The new co-pays could save the DoD \$2.6 billion over five years. Read Tom Philpott's Military Update to learn more.

Here is a chart comparing the current and proposed TRICARE co-pays.

	<b>Generic</b>	<b>Brand</b>	<b>Formulary</b>	<b>Tier 3 (Non-Formulary)</b>
	<b>Current Benefit</b>			
<b>Retail</b>	<b>\$3</b>	<b>\$9</b>		<b>\$22</b>
<b>On-Base</b>	<b>\$ —</b>	<b>\$ —</b>		<b>\$ —</b>
<b>Mail Order</b>	<b>\$3</b>	<b>\$9</b>		<b>\$22</b>
	<b>Pro_posed Benefit</b>			
<b>Retail</b>	<b>\$5</b>	<b>\$12</b>		<b>\$25</b>
<b>On-Base</b>	<b>\$ —</b>	<b>\$ —</b>		<b>\$ —</b>
<b>Mail Order</b>	<b>\$ —</b>	<b>\$9</b>		<b>\$25</b>